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FM AMEMBASSY SEOUL
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5995
INFO RUCNKOR/KOREA COLLECTIVE PRIORITY
RUEHBJ/AMEMBASSY BEIJING PRIORITY 6812
RUEHSH/AMCONSUL SHENYANG PRIORITY 5190
RUACAAA/COMUSKOREA INTEL SEOUL KOR PRIORITY
RHMFISS/COMUSKOREA J5 SEOUL KOR PRIORITY
RHMFISS/COMUSFK SEOUL KOR PRIORITY
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L SEOUL 001672

SIPDIS

E.O. 12958: DECL: 09/28/2039
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SUBJECT: UK AMBASSADOR SAYS CHINESE AID KEEPING DPRK "ON
LIFE SUPPORT"

REF: SEOUL 001421

Classified By: POL M/C James L. Wayman. Reasons 1.4 (b/d).

Summary

1. (C) During a 10/19 breakfast with Ambassador Stephens, UK Ambassador to Pyongyang Peter Hughes asserted that Chinese economic aid was keeping the DPRK economy from collapsing. He said most factories were not functioning and the regime's "150-Day Battle" campaign appeared to be more about keeping people busy than doing any real work. Hughes, who has been in Pyongyang for 13 months, said instability was unlikely in the event Kim Jung-il's death because the regime maintains tight security controls on the population. It was too early to tell what the fall harvest would look like, but abysmal transportation and other infrastructure deficiencies would complicate distribution, meaning the remote northeast provinces would again face significant food shortages. Hughes said the emergence of private plots among farmers could have a negative impact on the overall harvest because farmers are focusing on their own crops and neglecting those grown for the state. End Summary.

China Keeping North Korea Alive

2. (C) British Ambassador to the DPRK Peter Hughes told Ambassador Stephens on 10/19 that, in his view, only Chinese assistance was keeping the DPRK economy from collapsing. Hughes, who has been stationed in Pyongyang for 13 months, related that even in the Pyongyang area the large majority of factories were not operating; the "150-Day Battle" campaign (reftel) appeared to be more about maintaining ideological discipline and keeping people busy "waving flags and chanting slogans" than actually getting any real work done. On the rare occasions that he had been permitted to travel outside Pyongyang, Hughes said he observed "hives of activity" in informal back-alley markets. It was routine to see people carrying items for barter trade or sale in these markets.

3. (C) Ambassador Hughes said he understood Chinese Premier Wen Jiabao delivered an economic aid package of undetermined value on his recent visit to Pyongyang; the scale of that aid alone, however, would not be enough to make a noticeable improvement in the regime's economic fortunes. As far as he could tell, the Chinese policy of keeping the DPRK on life support had not changed. Hughes had heard reports that Sino-DPRK trade had fallen off in 2009, but he had not observed any noticeable change in trade levels. He noted that he frequently counted trucks crossing the border from

China, but discounted the utility of doing so without knowing what was in the trucks. Hughes said the Chinese were still a significant presence in Pyongyang, noting that hotels and restaurants seemed to be full of PRC businesspeople.

Political Instability Unlikely

¶4. (C) Asked about the DPRK succession, Hughes posited that if Kim Jong-il died unexpectedly, the regime would rally behind a successor quickly and carry on, much the way it had when Kim Il-sung died in 1994. He believed that the regime's control mechanisms were far too effective to allow for the prospect of chaos in such a scenario. Hughes noted that Kim Jung-il's brother-in-law Chang Sung-taek, widely rumored to be a possible successor, had not made public appearances for an extended period of time and had been noticeably absent during Premier Wen's recent visit.

Grain Harvest: Too Soon to Tell

¶5. (C) It was too early to assess what the food harvest would look like this year, Ambassador Hughes said, noting that good weather during the remaining harvest period would be critical to the regime's efforts to maximize grain output. Improved irrigation systems would boost the rice harvest this year, but rain had damaged the corn crop. Hughes said there were differing assessments of the food security situation; World Food Program officials in Pyongyang were again forecasting dire shortages while European experts were arguing that the current situation was stable. Hughes characterized the WFP

warnings of critical shortfalls as "unrealistic" and commented that the organization had "cried wolf too many times."

¶6. (C) Hughes suggested that transportation and related infrastructure shortfalls were as much to blame for food shortages as were poor crop yields, noting that getting food from the breadbasket southwest to the mountainous and less-arable Northeast was problematic. He observed that in Pyongyang hunger was not an issue, nor was it for farmers, all of whom now cultivated their own private vegetable plots. Hughes related that the private plots could prove detrimental to the DPRK's broader food situation, as farmers were focusing far more attention on the private plots than on their official state crops.

STEPHENS